

AMENDED IN SENATE JANUARY 6, 2014

**SENATE BILL**

**No. 174**

**Introduced by Senator ~~Liu~~ De León**  
**(Coauthor: Senator Liu)**

February 5, 2013

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An act to ~~amend Section 41976 of~~ *add Section 69431.7 to the Education Code, relating to adult education student financial aid, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 174, as amended, ~~Liu De León. Adult education: apportionments. Student financial aid: Cal Grant Program.~~

*Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Cal Grant Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Under the Cal Grant B Entitlement Program, awards may be made for access costs, defined as living expenses and expenses for transportation, supplies, and books, in an amount not to exceed \$1,551 annually, as adjusted in the annual Budget Act.*

*This bill would require the Treasurer to certify the amount of moneys available in an academic year from the College Access Tax Credit Fund for distribution, and provide that an amount determined by the Student Aid Commission would be available for expenditure, upon appropriation to the commission by the Legislature in the annual Budget Act, from the College Access Tax Credit Fund, for distribution to students to*

*supplement Cal Grant B access cost awards to bring those students' total annual awards for access costs to not more than \$5,000 and to defray the administrative costs incurred by the commission in implementing the bill.*

*The bill would become operative only if SB 798 is enacted and becomes operative on or before January 1, 2015.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law establishes a system of public elementary and secondary schools in this state, and provides for their funding through, among other types of funding, the apportionment of state funds to local educational agencies in accordance with prescribed criteria. Existing law authorizes school districts and county superintendents of schools to provide specified adult education classes and courses that qualify for the apportionment of state funds from the Adult Education Fund.~~

~~This bill would recast and revise the list of classes and courses that qualify for this funding, and would specify that this funding could be claimed by high school districts, unified school districts, and county offices of education. The bill would include courses of preparation for the California High School Exit Examination and the General Education Development (GED) test among the courses qualifying for the apportionment of state funds. The bill would authorize the charging of a fee for adult education courses when apportionment of state funds does not cover the cost of providing the course. The bill would prohibit the apportionment of state funds for adult education courses unless they are approved by the governing board of the local educational agency and receive annual approval from the State Department of Education.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. The Legislature finds and declares all of the*
- 2     *following:*
- 3     *(a) In addressing California's fiscal crisis, state budget solutions*
- 4     *over the last several fiscal years have included deep cuts and*
- 5     *payment deferrals that have resulted in the loss of billions of*
- 6     *dollars in funding for all segments of postsecondary education.*
- 7     *(b) In the 2011–12 fiscal year, the state contributed \$16.4 billion*
- 8     *to postsecondary education. However, the share of expenditures*

1 borne by California State University students in the form of fees  
2 has nearly doubled, from 18 percent in 2007–08, to 30 percent in  
3 2011–12. A public postsecondary education has become  
4 unaffordable for the middle class. Most students are leaving school  
5 thousands of dollars in debt, and they end up sending monthly  
6 payments to out-of-state banks rather than contributing to the local  
7 economy.

8 (c) With less access to postsecondary education due to courses  
9 being cut, each year students are taking longer and longer to  
10 graduate. It now takes the average student seven years to graduate  
11 from a California Community College campus, six and one-half  
12 years to graduate from a California State University campus, and  
13 four and one-half years to graduate from a University of California  
14 campus.

15 (d) Educational attainment levels predict the overall economic  
16 performance of states and nations. California was always among  
17 the top states in degree-completion rates, but it now ranks among  
18 the bottom 10 states.

19 (e) By 2018, 63 percent of all jobs in the United States will  
20 require some form of postsecondary education or training,  
21 according to estimates by the Georgetown University Center on  
22 Education and the Workforce. The United States is on track to  
23 deliver only a fraction of this education. Currently, only 38 percent  
24 of America’s young adults have a college degree, compared to 58  
25 percent in South Korea.

26 (f) California’s postsecondary education system has helped  
27 build and sustain an entrepreneurial spirit that has shaped new  
28 sectors of the state’s economy. During tough times like these, we  
29 need novel approaches to steer the state back on track.

30 (g) Estimates show that the College Access Tax Credit Fund  
31 will be fully subscribed for each of the three years of the program,  
32 allowing the California Student Aid Commission to fund larger  
33 access grants to California’s neediest students.

34 (h) All Californians deserve access to an affordable  
35 postsecondary education.

36 SEC. 2. Section 69431.7 is added to the Education Code, to  
37 read:

38 69431.7. (a) As used in this section, “fund” means the College  
39 Access Tax Credit Fund created by Section 17053.86 of the  
40 Revenue and Taxation Code.

1 (b) Any moneys that may be appropriated from the fund for  
2 purposes of this section shall be in addition to, and are intended  
3 to supplement, other moneys appropriated for the Cal Grant  
4 Program. Upon the creation of the fund, and during its existence,  
5 the amount of the Cal Grant B access award as established in the  
6 annual Budget Act shall not be adjusted below the amount set forth  
7 in the Budget Act of 2012.

8 (c) On April 1, 2015, and on April 1 annually thereafter, the  
9 Treasurer shall certify the amount of moneys available for  
10 distribution from the fund for the academic year commencing the  
11 following July 1. The amount available for distribution in any  
12 academic year shall not exceed 85 percent of the certified fund  
13 balance. Notwithstanding any other law, the commission shall  
14 thereafter determine the amount of the supplemental awards to be  
15 granted and the administrative costs that will be incurred, and  
16 include these amounts in the budget change proposals submitted  
17 each fiscal year pursuant to Section 69518. The amount determined  
18 by the commission under this subdivision shall be available, upon  
19 appropriation by the Legislature to the commission in the annual  
20 Budget Act, for the purpose of making awards to students in  
21 accordance with this section.

22 (d) If, after making supplemental awards pursuant to subdivision  
23 (e), moneys remain in the fund, those moneys shall remain in the  
24 fund for allocation in future fiscal years.

25 (e) Disbursements shall be made upon annual appropriation  
26 by the Legislature to the commission under this section for both  
27 of the following purposes:

28 (1) To supplement awards made for access costs under Article  
29 3 (commencing with Section 69435), Article 4 (commencing with  
30 Section 69436), and Article 5 (commencing with Section 69437).  
31 The amount of the supplemental award, when added to the amount  
32 of the award made for access costs established by the annual  
33 Budget Act, shall not exceed five thousand dollars (\$5,000). An  
34 award under this section is payable only to the extent that moneys  
35 are available from the fund. The commission shall inform each  
36 recipient of an award under this section that the award is for one  
37 academic year only, is not an entitlement, and that future  
38 supplemental awards are subject to the availability of moneys in  
39 the fund.

1 (2) To defray the administrative costs incurred by the  
2 commission in implementing this section.

3 SEC. 3. This act shall become operative only if Senate Bill 798  
4 is enacted and becomes operative on or before January 1, 2015.

5 SEC. 4. This act is an urgency statute necessary for the  
6 immediate preservation of the public peace, health, or safety within  
7 the meaning of Article IV of the Constitution and shall go into  
8 immediate effect. The facts constituting the necessity are:

9 As our state economy is recovering, it is important to provide  
10 adequate funding for Cal Grant B access awards beginning in the  
11 2015–16 academic year so that students receiving these awards  
12 can stay enrolled, and it is therefore necessary that this act take  
13 effect immediately so that this program may be funded by donations  
14 to the College Access Tax Credit Fund made during 2014.

15 SECTION 1. ~~Section 41976 of the Education Code is amended~~  
16 ~~to read:~~

17 ~~41976. (a) For purposes of this chapter, adult academic,~~  
18 ~~workforce preparation, and civic engagement programs are~~  
19 ~~authorized to be offered by high school districts, unified school~~  
20 ~~districts, and county offices of education to claim apportionments~~  
21 ~~from the Adult Education Fund, except as provided in subdivision~~  
22 ~~(b). The primary focus of adult education is to provide for dropout~~  
23 ~~recovery and support the transition of adult students to~~  
24 ~~postsecondary education, training, and into the workforce. Adult~~  
25 ~~education programs shall include all of the following:~~

26 ~~(1) Adult basic and secondary academic programs, including~~  
27 ~~elementary basic skills and secondary courses required for the high~~  
28 ~~school diploma, pursuant to Section 51225.3, and dropout recovery.~~  
29 ~~Courses under this section may include preparation for the~~  
30 ~~California High School Exit Examination, the General Education~~  
31 ~~Development (GED) test, or any high school diploma certification~~  
32 ~~as approved by the department.~~

33 ~~(2) Education programs in English as a second language and~~  
34 ~~citizenship preparation, including programs for immigrants eligible~~  
35 ~~for educational services in citizenship, civic participation, and~~  
36 ~~workforce preparation. These courses include the English literacy~~  
37 ~~skills of speaking, listening, reading, writing, mathematics,~~  
38 ~~decisionmaking, and problem solving skills, and other classes~~  
39 ~~required for preparation to participate in job specific career and~~  
40 ~~technical training.~~

1     ~~(3) Career technical education, including programs promoting~~  
2     ~~a skilled workforce with high-growth and high-wage employment~~  
3     ~~potential, leading to industry certifications, or that meet the~~  
4     ~~required prerequisites and foundations for advanced postsecondary~~  
5     ~~programs. These courses, developed within designated career~~  
6     ~~sectors, shall incorporate academic, career preparation, and job~~  
7     ~~readiness skills with possible apprenticeships or internships.~~

8     ~~(4) Civic engagement programs, including specialized courses~~  
9     ~~focusing on any of the following: issues of aging; assisting disabled~~  
10    ~~adults to become self-reliant, productive, and effective community~~  
11    ~~members; parenting and family literacy; health and financial~~  
12    ~~literacy; and civic participation skills.~~

13    ~~(b) Only the program curriculum incorporated within the~~  
14    ~~programs described in paragraphs (1) to (3), inclusive, of~~  
15    ~~subdivision (a) may be funded from an apportionment from the~~  
16    ~~Adult Education Fund.~~

17    ~~(c) If an adult education course is not eligible for funding from~~  
18    ~~an apportionment from the Adult Education Fund, or if such an~~  
19    ~~apportionment does not cover the entire cost of providing the~~  
20    ~~course, a fee may be charged to cover this cost.~~

21    ~~(d) No state apportionment for adult education courses or classes~~  
22    ~~developed within programs shall be made for any course or class~~  
23    ~~that is not set forth in subdivision (a). Further, no state~~  
24    ~~apportionment shall be made for purposes of this section without~~  
25    ~~the approval of the governing board of the local educational agency~~  
26    ~~offering the course and the annual approval of the department.~~